

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Bay Area Gold Group Limited

灣區黃金集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 1194)

SUPPLEMENTAL ANNOUNCEMENT ON PROFIT WARNING

This announcement is made by Bay Area Gold Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the profit warning announcement of the Company dated 19 March 2021 (the “**Announcement**”). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as defined in the Announcement.

As disclosed in the Announcement, the Group expects the net loss for the year ended 31 December 2020 will be enlarged as compared with that for the year ended 31 December 2019 which approximated to HK\$631 million. The widened loss is due to assessment of valuation of the assets and their future performance towards the Company.

The Board wishes to further disclose that, based on the latest assessment on the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and the information currently available, the Group expects the net loss for the year ended 31 December 2020 will be not less than HK\$2,800 million as compared with that for the year ended 31 December 2019 which approximated to HK\$631 million. The widened loss is mainly attributable to (i) the one-off losses on impairment of intangible assets including goodwill and mining rights of approximately HK\$1,342 million (approximately HK\$274 million for the year ended 31 December 2019) and (ii) one-off losses on impairment of property, plant and equipment of approximately HK\$934 million for the year ended 31 December 2020 (nil for the year ended 31 December 2019).

The Company is still in the process of finalizing the Group’s consolidated results for the year ended 31 December 2020. The information contained in this announcement is only based on the latest assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the financial year ended 31 December 2020 and on the information available for the time being, which are subject to adjustments as appropriate and final review by the Company and its auditor. Further details for the Group’s results and performance will be disclosed in the annual results announcement of the Company for the year ended 31 December 2020, which is expected to be published on 30 March 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares or securities of the Company.

By order of the Board
Bay Area Gold Group Limited
YI Shuhao
Chairman

Hong Kong, 25 March 2021

As at the date of this announcement, the Executive Directors of the Company are Mr. Yi Shuhao, Mr. Chen Sheng, Mr. Zhang Lirui, Mr. Wang Baozhi and Mr. Huang Zhiwei; the Non-Executive Director of the Company is Mr. Hsu Jing-Sheng; and the Independent Non-Executive Directors of the Company are Ms. Wong Chi Yan, Professor Xiao Rong Ge and Professor Zhang Tianyu.